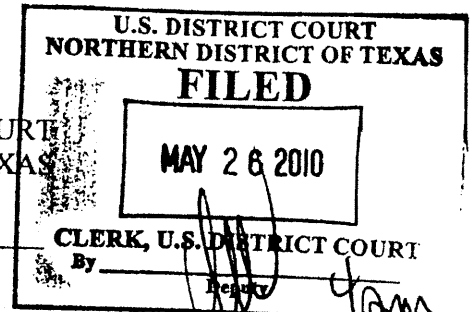


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



UNITED STATES OF AMERICA

v.

DENNIS WOODS BOWDEN

§
§
§
§
§

No. **3-10 CR 152-B**

INDICTMENT

The Grand Jury Charges:

Introduction and Summary

1. Beginning no later than December 2005 and continuing until on or about July 2, 2007 ("the Relevant Period"), in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **Dennis Woods Bowden** ("the Defendant") and Jeffrey Charles Bruteyn (an individual not named as a defendant herein), aided and abetted by each other and by persons known to the Grand Jury, knowingly, willfully, and with intent to defraud, used and employed a scheme, artifice, device, and contrivance to defraud investors in connection with sales of securities.

2. During the Relevant Period, the Defendant was a manager and owner of American Eagle Acceptance Corp. ("American Eagle"), a Dallas, Texas company that was in the business of buying and selling used automobiles, financing purchases of used automobiles at its used car lots, and buying and servicing used car notes (also known as used car "receivables" or used car "paper").

3. At the same time, the Defendant was the Chief Operations Officer ("COO") for two affiliated companies called AmeriFirst Funding Corp. ("AmeriFirst Funding") and AmeriFirst Acceptance Corp. ("AmeriFirst Acceptance") (hereafter, along with American Eagle, collectively "the AmeriFirst companies").

4. During the relevant period, AmeriFirst Funding and AmeriFirst Acceptance issued securities known as Secured Debt Obligations and Collateral Secured Debt Obligations (both hereafter "SDOs"), and the Defendant, by and through a number of securities salesmen, offered and sold SDOs to investors. These salesmen included Bruteyn, Vincent John Bazemore, Jr., Eric Glen Hall, Gerald Kingston, and others (collectively "the salesmen").

5. In connection with sales of the SDOs, the Defendant, acting both personally and through the salesmen, misled, deceived and defrauded investors by misrepresenting, and by failing to disclose, material facts concerning the investments.

6. Among other material facts, the Defendant knowingly, willfully, and with intent to defraud, misled and deceived investors about the uses to which the Defendant had put and would put the investors' funds; about the collateral that supposedly would secure the investors' principal and protect it against loss; about the fiduciary relationship of trust that supposedly would exist between the issuer of the SDOs and the investors; about insurance that supposedly protected the investors against loss of their principal; and about a guarantee by a commercial bank that supposedly protected the investors against loss of their principal.

7. The Defendant directly and indirectly represented to investors that their investments were guaranteed by a commercial bank, that the investors' principal was secured by an interest in certain types of collateral, that insurance purchased by the AmeriFirst companies protected the investors against loss of their money, and that the issuers of the SDOs were acting as the investors' fiduciaries.

8. In truth and in fact, however, as the Defendant well knew, the investments were not secured or protected by collateral in the manner or to the extent that was represented to investors; no commercial bank guaranteed the investments, and the guarantee held out by the issuers of the SDOs was a false and fraudulent guarantee, because the AmeriFirst companies, which were not profitable, lacked the financial means to guarantee the investments; the insurance that the AmeriFirst companies purchased did not protect the investors' principal; and the Defendant, rather than acting as the investors' fiduciary, was spending the investors' money on things the investors did not approve or even know about, including an airplane, sports cars, a condominium, real estate for used car lots, and the Defendant's own personal living expenses.

Manner and Means

9. The manner and means of the fraudulent scheme, artifice, device, and contrivance included the following things.

The Securities – Secured Debt Obligations (“SDOs”)

10. Each SDO was a promissory note, by which the issuer or “maker” promised to pay a specified principal amount of money, with interest, to a named payee.
11. The issuer of each SDO was either AmeriFirst Funding or AmeriFirst Acceptance, and the Defendant customarily signed the SDO on the issuer’s behalf.
12. The payee named in each SDO was an investor, and the principal amount of the SDO was the amount that he or she had invested by purchasing the note.
13. Each SDO earned interest at a fixed rate. Some investors elected to receive monthly interest payments, but more than half of the investors elected to add their interest to the principal of their investment each month.
14. The issuer of the SDO entered into a Servicing Agreement with the investor, and the Servicing Agreement contained promises about the issuer’s management, investment, and protection of the investor’s money. Either the Defendant or Bruteyn usually signed the Servicing Agreement on behalf of the issuer.
15. The Servicing Agreement and SDO together constituted an investment contract. Under that contract the investor contributed money to a common enterprise, in exchange for investment returns that the AmeriFirst Companies’ business supposedly would yield.
16. Under the securities laws of the United States, both notes and investment contracts are securities.

Sales of the SDOs

17. Jeffrey Bruteyn agreed to raise money for the AmeriFirst companies by selling the SDOs to investors, and the Defendant agreed to pay Bruteyn "consulting fees" equal to a percentage of the amount of money Bruteyn raised.

18. Bruteyn arranged for other salesmen, including Kingston, Hall, and Bazemore, to sell the SDOs. The Defendant was aware that Kingston, Hall, Bazemore, and other salesmen were selling the SDOs under Bruteyn's direction.

19. Each time an investor purchased an SDO from one of the salesmen, Bruteyn caused the investor's check, SDO, and Servicing Agreement to be delivered to the Defendant's office.

20. After signing the Servicing Agreement (if Bruteyn had not signed it) and signing the SDO, the Defendant customarily caused copies of those signed documents to be sent to the investor via the mails or via commercial and private interstate carriers.

21. The Defendant also caused the investors' checks to be deposited.

22. In this way, the Defendant directly and indirectly offered and sold SDOs to more than 500 investors and raised more than \$50 million.

23. During the term of each investment, the Defendant caused monthly account statements to be sent to investors via the mails or via commercial and private interstate carriers. The Defendant also caused checks to be sent with the account statements to investors who elected to receive monthly interest payments.

Misrepresentations of Material Facts

24. In connection with sales of SDOs, the defendant directly and indirectly made to investors and prospective investors, and caused to be made to them, a number of untrue statements of material facts, including the following.

25. The Defendant represented that SDOs were “guaranteed by a commercial bank,” when in fact, as the Defendant well knew, no commercial bank guaranteed the SDOs.

26. The Defendant represented that SDOs were “reinsured by” Allianz and Lloyd’s of London, when in fact, as the Defendant well knew, insurance that those companies provided to the AmeriFirst companies did not insure SDOs, and insured only used cars that were collateral for used car notes held by the AmeriFirst companies.

27. The Defendant represented that the investors’ property would be kept “separate and apart” from the issuers’ property, when in fact, as the Defendant well knew, he routinely commingled the investors’ money with money belonging to the AmeriFirst companies, and used the commingled funds to pay ordinary business expenses of the AmeriFirst companies, to purchase used cars for resale, and to purchase real estate for use by American Eagle in its used car business.

28. The Defendant represented that the issuers of the SDOs would hold investor money “in cash” in the investors’ “separate accounts,” when in fact, as the Defendant well knew, the investors’ money was commingled with money from other sources, and was not held in separate accounts for investors.

29. The Defendant represented that the issuers of the SDOs would use investor money to purchase "receivables owed to" the investors, when in fact, as the Defendant well knew, none of the receivables bought or held by the AmeriFirst companies were owed to the investors.

30. The Defendant represented that the issuers of the SDOs would provide the kinds of collateral specified in the Servicing Agreements, when in fact, as the Defendant well knew, the collateral provided, if any, included real estate for used car lots, sports cars, an airplane, and a condominium, which were not the type of collateral specified in the Servicing Agreements.

Omissions of Material Facts

31. In connection with sales of SDOs, the defendant also directly and indirectly failed to state material facts, and caused others to fail to state material facts, thus causing affirmative statements that were made to investors and prospective investors to be misleading under the circumstances, including the following.

32. The Defendant failed to disclose to investors that the AmeriFirst companies had operated at a net loss for a number of years and lacked the financial means to guarantee investors' principal. As a result, statements about the investors' principal being guaranteed were misleading. The guarantee was a false and fraudulent guarantee.

33. The Defendant failed to disclose to investors that he was using investor funds to pay his personal expenses. The Defendant failed to disclose that, by and through the AmeriFirst companies, he betrayed the trust of the investors, failed to comply with the

obligations of a fiduciary, and used the investors' funds to serve his own financial interests, to the detriment of the investors' interests. As a result, statements that the SDO issuers would enter into "a relationship of trust" with investors and "comply with all of the obligations of a fiduciary" were misleading.

34. The Defendant failed to disclose to investors that he used investor money, and caused it to be used, to purchase an airplane, sports cars, a condominium, and real estate for used car lots. Because those facts were not disclosed, statements about the types of assets that would be held as collateral for the investments were misleading.

COUNTS ONE through NINE

Securities Fraud and Aiding and Abetting

(15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2)

As to each of Counts One through Nine listed below, in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **Dennis Woods Bowden** ("the Defendant") and Jeffrey Charles Bruteyn (an individual not named as a defendant herein), aided and abetted by each other and by persons known to the Grand Jury, willfully, knowingly, and with intent to defraud, by use of the mails and means and instrumentalities of interstate commerce, in connection with sales of SDOs to the investors identified below on or about the dates stated below, directly and indirectly:

- employed devices, schemes and artifices to defraud;
 - made untrue statements of material facts and omitted to state material facts that were necessary in order to make statements that were made not misleading in light of the circumstances under which the statements were made; and
 - engaged in acts, practices and courses of business that operated and would operate as a fraud and deceit on a person,
- all as alleged in Paragraphs 1 through 34 above, which are incorporated herein by reference.

<u>Count</u>	<u>Date</u>	<u>Investor</u>
1	June 20, 2006	J.A.H.
2	November 28, 2006	M.T.
3	January 23, 2007	B.J.S.
4	February 12, 2007	J.A.H.
5	February 21, 2007	J.J.K.
6	March 12, 2007	K.L.S.
7	March 20, 2007	J.J.K.
8	March 26, 2007	K.L.S.
9	April 11, 2007	K.L.S.

Each in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2.

COUNTS TEN through FIFTEEN
Mail Fraud and Aiding and Abetting
(18 U.S.C. §§ 1341 and 2)

Beginning no later than December 2005 and continuing through on or about July 2, 2007, in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **Dennis Woods Bowden** ("the Defendant") and Jeffrey Charles Bruteyn (an individual not named as a defendant herein), aided and abetted by each other and by persons known to the Grand Jury, knowingly and with intent to defraud, devised and intended to devise a scheme and artifice to defraud investors and to obtain money and property from investors by means of materially false and fraudulent pretenses, representations, and promises.

Manner and Means

As the manner and means of the scheme and artifice, the Grand Jury adopts, re-alleges, and incorporates herein by reference all allegations set forth in Paragraphs 1 through 34 above.

Mailings

As to each of Counts Ten through Fifteen below, on or about the date stated, in the Dallas Division of the Northern District of Texas, the Defendant, knowingly and with intent to defraud, for the purpose of executing and attempting to execute the aforesaid scheme and artifice, caused to be delivered by the United States Postal Service or an interstate commercial carrier, according to the directions thereon, an envelope addressed as stated below, enclosing, among other things, the contents stated below.

<u>Count</u>	<u>Date</u>	<u>Address</u>	<u>Contents</u>
10	August 3, 2006	FRB Custodian FBO J.H., IRA Plano, TX 75074-4512	Statement for July 2006 for account of J.A.H.
11	March 10, 2007	J.A.H. Plano, Texas 75074	Statement and interest check for February 2007 for J.A.H. account 5960-01
12	May 10, 2007	J.K. Sr. Royce City, Texas 75189	Statement for April 2007 for J.J.K. account 4078-01
13	May 10, 2007	B.S. Irving, Texas 75061	Statement for April 2007 for account of B.J.S.
14	June 10, 2007	K.L.S. Dallas, TX 75248	Statement and interest check for May 2007 for K.L.S. account 5601-05
15	June 10, 2007	J.K. Sr. Royce City, Texas 75189	Statement for May 2007 for J.J.K. account 4078-05

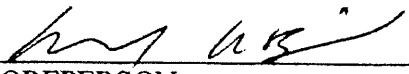
Each in violation of 18 U.S.C. §§ 1341 and 2.

FORFEITURE NOTICE
(18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c))

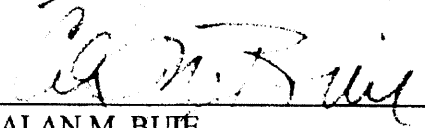
Upon conviction for any of the offenses alleged in Counts One through Sixteen of this Indictment, the defendant, **Dennis Woods Bowden**, shall forfeit to the United States any property, real or personal, constituting or derived from proceeds traceable to the respective offense, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), if any of the above property subject to forfeiture, as a result of any act or omission of the defendant, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States of America to seek forfeiture of any other property of the defendant up to the value of the above described property subject to forfeiture.

A TRUE BILL


FOREPERSON

JAMES T. JACKS
UNITED STATES ATTORNEY


ALAN M. BUIE

Assistant United States Attorney
Texas State Bar No. 00783751
1100 Commerce Street, Third Floor
Dallas, Texas 75242
Telephone: 214.659.8640
Facsimile: 214.767.4104
alan.buie@usdoj.gov

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

FILED

MAY 26 2010

CLERK, U.S. DISTRICT COURT

By

Deputy

THE UNITED STATES OF AMERICA

v.

DENNIS WOODS BOWDEN

INDICTMENT

3-10 CR 152-B

15 U.S.C. § 78 j(b) and 78 ff, 17 C.F.R. § 240.10b-5,
and 18 U.S.C. § 2

Securities Fraud and Aiding and Abetting

18 U.S.C. § 1341 and 2
Mail fraud and Aiding and Abetting

18 U.S.C. §§ 981(a)(1)(c) and 28 U.S.C. § 2461(c))
Forfeiture Notice

15 Counts

A true bill rendered

DALLAS

FOREPERSON

Filed in open court this 26th day of May, 2010

Clerk

Warrant to Issue

UNITED STATES DISTRICT MAGISTRATE JUDGE

No Criminal Complaint Pending

Related Cases: 3:07CR312 (US v. Bazemore), 3:07CR344-M (US v. Kingston),
3:08CR183-M (US v. Hall), 3:09CR136-M (US v. Bruteyn)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

Related Case Information

Superseding Indictment: ☐ Yes ☒ No
New Defendant: ☒ Yes ☐ No
Pending CR Case in NDTX: ☐ Yes ☒ No (If yes, CR #:)
Search Warrant Case Number: _____
Rule 20 from District of: _____
Magistrate Case Number: _____

1. Defendant Information

Juvenile: ☐ Yes ☒ No

Matter to be sealed:

☐ Yes ☒ No

Defendant Name Dennis Woods Bowden

Alias Name _____

Address _____

County in which offense was committed: Dallas

2. U.S. Attorney Information

Alan Buie

Bar # 00783751

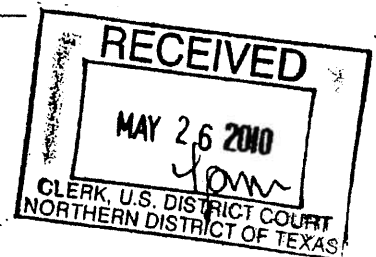
3. Interpreter

☐ Yes ☒ No

If Yes, list language and/or dialect: _____

4. Location Status WARRANT TO ISSUE

- ☐ Already in Federal Custody
☐ Already in State Custody
☐ On Pretrial Release



5. U.S.C. Citations

Total # of Counts as to This Defendant: 15 ☐ Petty ☐ Misdemeanor ☒ Felony

Citation	Description of Offense Charged	Count(s)
15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, Securities Fraud and Aiding and Abetting and 18 U.S.C. § 2		1-9
18 U.S.C. §§ 1341 and 2	Mail Fraud and Aiding and Abetting	10-15
18 U.S.C. §§ 981(a)(1)(c)) and 28 U.S.C § 2461 (c))	Forfeiture Notice	

Date

19 May 2010

Signature of AUSA:

CB